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SIPDIS

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SUBJECT: G-20 MEET IN BRASILIA

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11. (U) Summary. The G-20 meeting taking place in Brasilia December 11-12 is designed to lend political weight to the group prior to the December 15 meeting in Geneva in which countries will consider restarting WTO Doha Development Agenda (DDA) negotiations after the failed Cancun Ministerial. The group is expected to continue to endorse the same changes it identified as necessary in Cancun to the Derbez text, but with a moderated tone, emphasizing the need for flexibility all around. End Summary

12. (U) Representatives of the G-20, a group of developing countries that was formed during the Cancun WTO Ministerial, are meeting in Brasilia December 11-12. Brazil's Foreign Ministry (Itamaraty) has confirmed attendance by representatives of the following countries: South Africa, Argentina, Bolivia, Chile, China, Cuba, Egypt, Philippines, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, Tanzania, Venezuela, and Zimbabwe. Ecuador is listed as sending a "representative" (observer) to the meeting. Supposedly 14 ministers will be in attendance, but that has not been confirmed. Also attending are WTO Director General Supachai Panitchpakdi and EU Trade Commissioner Pascal Lamy. Press reports have also asserted that the U.S. was invited.

13. (SBU) According to Maria Izabel Vieira, Chief of the Agriculture Division in Itamaraty, the G-20 meeting will be more political than technical in nature. She did not anticipate presentation of new proposals or ideas, but more a reaffirmation of the G-20 commitment to move forward in DDA negotiations. Brazilian press has recently reported on new proposals by the G-20 and implied that some would be discussed in Brasilia. Maria Izabel said the ideas being discussed are the same as those discussed in Cancun and subsequently in Geneva - for instance, the need to change the tariff reduction formulas in the Derbez text to "bring more balance" between developed and developing country commitments, and the group's interest in setting the limit for domestic support to 2.5 percent of production value.

14. (SBU) The G-20 meetings started Thursday evening and were to focus on a discussion of overall strategy for the DDA negotiations and preparation for Monday's meeting in Geneva. In a separate meeting on December 11, the group met with Director General Supachai who provided his current assessment of the negotiations. According to press reports today, Supachai's main message was that all countries need to be flexible in all areas, or else no advances will be made in Geneva. In responding through the press, Brazilian WTO negotiator, Ambassador Clodoaldo Huguene, claimed that the G-20 is committed to advancing the negotiations and has been indicating that it will be flexible as long as the other main actors in the negotiation are as well. Comment: From the G-20 perspective, Supachai's participation has been an invaluable boon to conferring credibility on the group as a legitimate negotiating force in the DDA. End Comment.

15. (SBU) In essentially the last working session late Friday morning, Lamy will meet with the group for about two hours. The meeting with Lamy appears to be designed to demonstrate goodwill by the group with one of its main antagonists from Cancun. According to the EU's Commercial Attache, Jorge Peydro-Aznar, Lamy had already been planning a trip to the Mercosul countries when Brazil's Foreign Minister Amorim presented the invitation to the G-20 gathering. Peydro-Aznar told us Lamy's interest in attending is to explain the EU's perspective on the DDA negotiations, as expressed in the November 26 EU Commission Communication to the EU Council, and to obtain a better gauge of where the group is heading before next week's Geneva meeting.

16. (SBU) Peydro-Aznar said that Lamy views the G-20 as relevant to only a single issue, and would expect the EU to approach negotiation of other issues, for instance the Singapore issues, with the member countries individually. According to Peydro-Aznar, Brazilian press had incorrectly claimed Lamy would be presenting a new proposal in Brasilia; the "proposal" is the idea presented in the November 26 Communiqué that the EU could approach the Singapore issues on a plurilateral basis, removing them from the single-undertaking. After the G-20 meeting, Lamy will

continue on to Montevideo where he will participate in the Mercosul Summit December 16.

17. (SBU) Comment: Whether a single-issue group or not, the GOB will work determinedly to keep the G-20 alive. It is a crucial component of President Lula's foreign policy which looks to promote Brazilian leadership of developing countries to form a counterweight to oft-cited developed-country domination. Regardless of others' perception that the Cancun Ministerial was a disaster, President Lula has unreservedly heaped praise on Foreign Minister Amorim for his leadership of the G-20, and for demonstrating to the international community that developing countries must be dealt with as equals. End Comment.
VIRDEN